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Shelter Procurement Strategies for Humanitarian Organizations: Global vs. Local

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Shelter Procurement Strategies for Humanitarian Organizations: Global vs. Local

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EXECUTIVE SUMMARY

During a disaster people's lives are disrupted and they are faced with the challenge of survival. In order to make it through, people must have shelter to protect them from the elements, maintain a sense of dignity, feel secure, and have a place to rest. Sheltering people is a process and the solution is dynamic with respect to time and culture.

When deciding how to create the shelter strategy and where to procure the items the organizations are faced with a combination of factors. Issues such as cost, time, and item specification all influence from whom and where the materials are procured. Before the factors can be weighted an organization needs to identify its ability to respond relative to the other organizations that are participating in the relief effort in the same space. The basic question is: What are the challenges faced by global humanitarian organizations trying to balance global objectives and local perspectives, with respect to developing an effective procurement strategy for shelter materials?

Organizational Positioning

Humanitarian organizations may be strictly local, strictly global, or a combination of both. Organizations that are considered in this paper are a combination of both, some centralized with decision making power concentrated in the international secretariat, while others find

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 themselves with highly decentralized organizations where country level offices are faced with a high degree of autonomy. Prior to disaster organizations need to identify their strengths, weaknesses, and what roles they should take in disaster response.

The first decision to make is to identify where the decision making power lies in an organization. If authority is centralized it can limit the effectiveness of actions that are taken by local organizations and vice versa. Then the organization needs to decide what its capabilities are in the shelter sector. For example if the organization has the physical resources or the technical knowledge to create and execute a shelter strategy then they are primary players. If they do not have the necessary skills then the role in the effort is as a support player. Local-Support organizations lend manpower, organizational capabilities, and complementary skills to the execution of shelter strategies led by Global-Primary organizations as well as Local-Primary organizations.

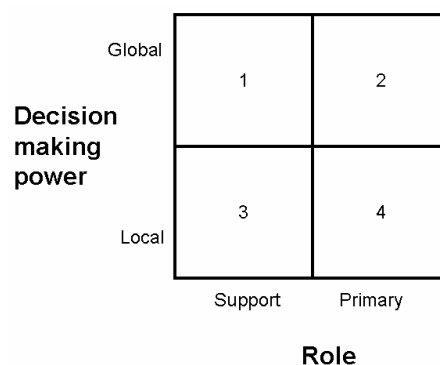


Figure 1: Organizational Matrix

The Emergency

This paper considers that both slow onset and sudden onset emergencies go through the same three phases. It is important to note though that the length of each phase is emergency specific. The three phases of an emergency and organizational procurement responsibility are as follows:

- **Preparedness Phase:** Organizations are able to create response strategies to execute once a disaster strikes. Global offices have a great opportunity to pre-position shelter

materials in hopes of reducing lead time and ensuring that a large amount of stock is available. Local organizations can take steps in the preparedness phase by creating a list of approved vendors and organizing a response strategy in the even of a disaster.

- **Crisis Response Phase:** Includes the period during and immediately after a crisis when things are chaotic, resources are stressed. Both local and global organizations are active in repairing, buying, and building shelters albeit in different capacities.
- **Long Term Recovery Phase:** Includes a sustainable shelter strategy that not only provides permanent shelter for residents, but also enables economic recovery or development. Local organizations take responsibility because of their ability to ensure quality and proper execution of the strategy.

Procurement Scorecard

The procurement scorecard identifies the main factors that organizations consider when choosing which suppliers to source from. The weighting of each factor changes over time with respect to organizational priorities. The factors are as follows:






















- **Speed of Response:** The lead time between when an order is placed and when it is delivered to its destination, whether it is a warehouse or a community.
- **Volume Available:** The ability of a supplier to fulfill the quantity requested by the organization.
- **Specificity/Standardization:** In disaster preparedness it refers to the ability of the supplier to meet international standards and in the long term recovery phase it refers to the appropriateness of materials to the beneficiary's needs.
- **Cost:** The importance of overall cost changes throughout the timeline.
- **Long Term Impact:** The long term impact needs to be considered as well, it can come in the form of exhaustion of a natural resource or providing a false boost to the economy.

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- **Organizational Resources:** Before, during, and after a crisis an organization has limited resources and the stress that a given supplier takes on those resources can be measured.
- **Economic Contribution:** Considers how the choice of supplier contributes to economic development of a community over the long run.
- **Other, Intangible**

The factors are then given a general weight and each potential supplier is given a score. By multiplying the scores by the weightings the organizations are able to compare suppliers.

The general importance of factors over time is given below.

| Driver | Preparedness | Crisis Response | Long Term Recovery |
|--------------------------------|---|---|---|
| 1. Speed of Response |  |  |  |
| 2. Volume Available |  |  |  |
| 3. Specificity/Standardization |  |  |  |
| 4. Cost |  |  |  |
| 5. Long Term Impact |  |  |  |
| 6. Organizational Resources |  |  |  |
| 7. Economic Contribution |  |  |  |
| 8. Other, intangible | | | |






| Factor Importance | | | | |
|---|---|---|--|---|
| Very Low | Low | Medium | High | Very High |
|  |  |  |  |  |

Figure 2. Shelter Driver Weights

Conclusions

Two forces are important when making shelter material sourcing decisions. The first force is endogenous to the organization and requires a critical assessment of its own capabilities. The second force is exogenous and it is the components of the crisis which include extent of damage, culture, political climate, geography, and more. To properly address these issues the organization needs to assess their own capabilities and then those of suppliers.

Organizations must position themselves and then procure. Each humanitarian crisis is unique in its requirements and each organization has its own way to achieve its goals. By quantifying the tradeoffs between suppliers in the procurement scorecard factors in an organized way the decisions will be more informed and fair. Additionally in a post-crisis evaluation the decision making process is easier to evaluate and more learning can occur.

The frameworks in this paper are applicable to both slow onset and sudden onset emergencies, but further research may show that they can be generalized and applied to non-emergency situations. A project quantifying the strengths, weaknesses, and geographical location of all humanitarian organizations and positioning them in the Organizational Matrix can lead to a better overall execution of responses. Further case studies focusing on either organizational positioning or the procurement scorecard can identify strengths in both frameworks and explore the relationships between the factors.